

A U S T I N C I T Y C O U N C I L

AGENDA



Thursday, August 31, 2006

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Neighborhood Housing and Community Development RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 10

Subject: Approve negotiation and execution of Amendment #2 to the cost reimbursement agreement with Austin Revitalization Authority, Inc. in an amount not to exceed \$70,181.77, for a revised total contract amount not to exceed \$335,455.77, to reimburse SWB Texas for expenses related to construction of facilities and installation of telecommunication lines within and near East 11th Street Redevelopment, located between East 11th Street, Juniper Street, I.H. 35 and Navasota Street.

Amount and Source of Funding: Funding is available in the Fiscal Year 2005-2006 Operating Budget of Neighborhood Housing and Community Development.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

Additional Backup Material
(click to open)
No Attachments Available

For More Information: Paul Hilgers, Director, Neighborhood Housing and Community Development, at 974-3108.

Prior Council Action: Approved Agreement April 5, 2002.

This action increases the cost reimbursement agreement by \$70,181.77 with Austin Revitalization Authority, Inc. (ARA) for the actual cost its subcontractor, SBC Texas, incurred for construction of civil engineering facilities related to the installation of telecommunication lines within and near East 11th Street Redevelopment.

Reimbursement of this construction project was approved by Resolution No. 020425-22 on February 25, 2002. The City entered into a Cost Reimbursement Agreement with ARA effective April 25, 2002 (Reimbursement Contract) to construct the telecommunication lines in the East 11th Street Redevelopment Area. During the construction, a controversy concerning the SBC Texas cost for re-locating telecommunications facilities developed. On September 17, 2003, the City of Austin Neighborhood Housing and Community Development Department (NHCD), Austin Revitalization Authority (ARA), and SBC Texas agreed to a plan for rerouting existing utility facilities necessary for the construction, operation, repair, maintenance, and installation of public improvements in the East 11th Street Redevelopment Area. The agreement outlined that following completion of re-locating the facilities SBC Texas would provide the City of Austin with a final billing statement setting forth its actual cost to purchase additional cable and splice it to existing SBC lines that would reflect SBC Texas total costs that ARA would reimburse under the Reimbursement Contract. The agreement was for the purpose of facilitating continued progress of the East 11th Street Revitalization Project and preventing further delays. It outlined the proposed cost of the project, the cost of relocating utilities and the specific task each principle would be responsible for providing.

NHCD was originally provided a short-term inter-fund loan from Austin Energy in the amount of \$265,274 to fund the Reimbursement Contract. The purpose of the project was for all overhead telecommunication lines in the East 11th Street Revitalization Area to participate in the Austin Energy's Overhead to Underground project converting the facilities to underground. The project was part of an effort in the East 11th Street Revitalization Project area to make it safer for traffic and pedestrians, while simultaneously stimulating public transit and beautifying the street to encourage new commercial development.

Following completion of the work, SBC Texas was advanced a portion of the expenses associated with the work it performed. On December 25, 2004 SBC Texas forwarded a final bill to NHCD in the amount of \$120,720.78 (with a balance of \$91,065.77 outstanding) which substantially exceeded the estimated cost for the SBC Texas portion of the project. On April 13, 2006, the COA requested and received an itemized billing statement documenting in detail the expenses associated with the SBC Texas work on the project. This increase in the Reimbursement Contract, coupled with the remaining fund balance, will allow the City to reimburse ARA under the Reimbursement Contract and ARA will then pay the outstanding balance ARA owes SBC Texas for its work.